

**AGENDA**  
**FREMONT REDEVELOPMENT AGENCY REGULAR MEETING**  
**JANUARY 12, 2010**  
**7:00 P.M.**

- 1. CALL TO ORDER**
- 2. CONSENT CALENDAR**

*Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)*

2.1 *Approval of Minutes – for the Regular Meeting of December 15, 2009*

2.2 **ACCEPTANCE OF REDEVELOPMENT AGENCY ANNUAL REPORT OF FINANCIAL TRANSACTIONS AND HOUSING ACTIVITIES REPORT**  
*Acceptance of the Fremont Redevelopment Agency's Annual Report of Financial Transactions and Housing Activities Report*

**Contact Person:**

<b>Name:</b>	<i>Kelly Sessions</i>	<i>Elisa Tierney</i>
<b>Title:</b>	<i>Business Manager</i>	<i>Redevelopment Agency Director</i>
<b>Dept.:</b>	<i>Office of Housing and Redevelopment</i>	<i>Office of Housing and Redevelopment</i>
<b>Phone:</b>	<i>510-494-4281</i>	<i>510-494-4501</i>
<b>E-Mail:</b>	<i>ksessions@fremont.gov</i>	<i>etierney@fremont.gov</i>

**RECOMMENDATION:** *Accept the Redevelopment Agency Annual Report as submitted to the State Controller.*

2.3 **REDUCE AGENCY LOAN COMMITMENT TO ALLIED HOUSING-MAIN STREET VILLAGE AND REPLACE WITH HOME FUNDS**  
*Adopt a Resolution to Reduce an Agency Affordable Housing Loan Commitment to Allied Housing by \$1,059,991 and Replace with \$1,059,991 in Federal Home Program Funds if Approved by the City Council for Main Street Village Planned for 3615/3657 Main Street and 41037/41045 High Street in the Irvington Redevelopment Area*

*Contact Person:*

<i>Name:</i>	<i>Bill Cooper</i>	<i>Elisa Tierney</i>
<i>Title:</i>	<i>Housing Project Manager</i>	<i>Redevelopment Agency Director</i>
<i>Dept.:</i>	<i>Office of Housing &amp; Redevelopment</i>	<i>Office of Housing &amp; Redevelopment</i>
<i>Phone:</i>	<i>510-494-4520</i>	<i>510-494-4501</i>
<i>E-Mail:</i>	<i>bcooper@fremont.gov</i>	<i>etierney@fremont.gov</i>

*RECOMMENDATION: Adopt a resolution to:*

- 1. Reduce the Agency Affordable Housing funds appropriated to Allied Housing's Main Street Village by \$1,059,991 (from \$3,845,350 to \$2,785,359) and replace the funding reduction with \$1,059,991 of federal HOME funds if approved by the City Council, subject to the conditions set forth under the terms of the loan previously approved the Agency Board; and*
- 2. Approve an appropriation transfer of \$1,059,991 from the Main Street Village project (911HHD6113) to New Construction of Affordable Housing (911HHD6100).*

**3. PUBLIC COMMUNICATIONS**

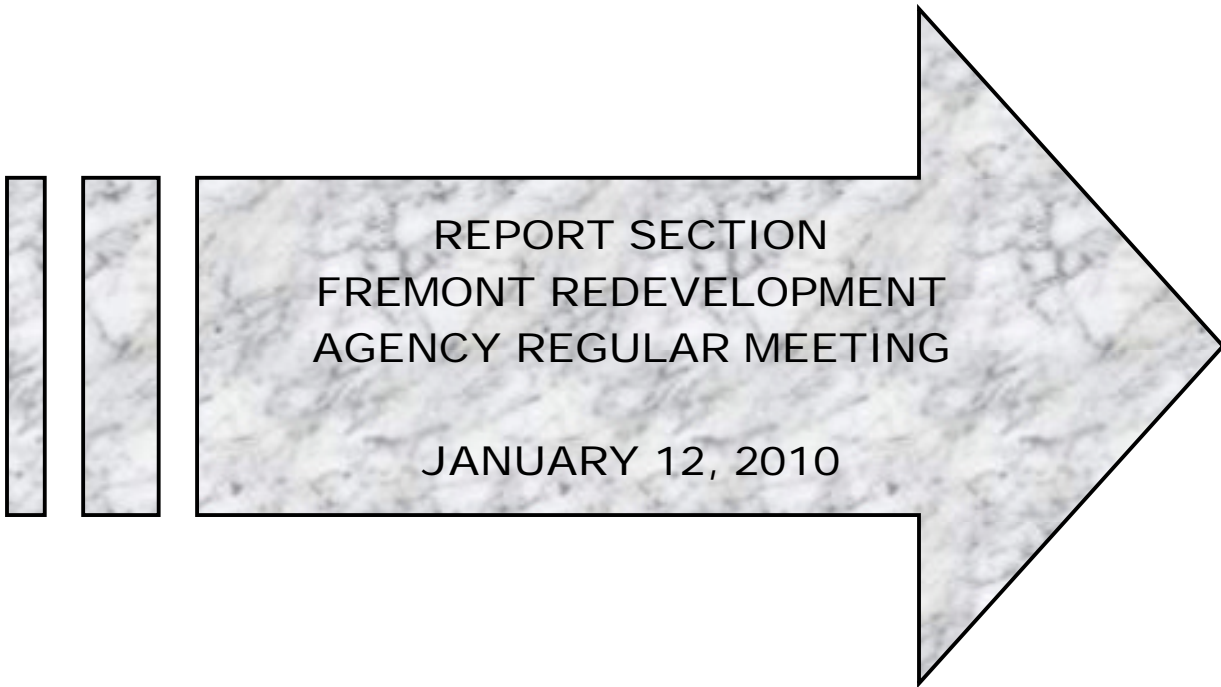
- 3.1 Oral and Written Communications

**4. PUBLIC HEARINGS – None.**

**5. OTHER BUSINESS**

- 5.1 Report Out from Closed Session of Any Final Action

**6. ADJOURNMENT**



**\*2.2 ACCEPTANCE OF REDEVELOPMENT AGENCY ANNUAL REPORT OF FINANCIAL TRANSACTIONS AND HOUSING ACTIVITIES REPORT**  
**Acceptance of the Fremont Redevelopment Agency's Annual Report of Financial Transactions and Housing Activities Report**

**Contact Person:**

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**Note:** A companion item appears on the January 12, 2010 City Council agenda.

**Executive Summary:** State law requires every Redevelopment Agency to submit an annual report to the City Council. This agenda item provides information on the annual report and recommends that the Agency Board accept this report.

**BACKGROUND:** State law and regulations require the Fremont Redevelopment Agency to submit an annual report to the State Controller's Office by December 31 of each year and to submit the report to the Agency's Legislative Body. Copies of the report were distributed to Council and the report was sent to the State on December 28, 2009.

**DISCUSSION/ANALYSIS:** State law mandates that the Fremont Redevelopment Agency submit an annual report within six months of the close of the fiscal year to the Agency's Legislative Body as well as to the State Controller's Office. As required, this Annual Report consists of the following:

- U.S. Bureau of the Census Survey Form
- Annual Report of Financial Transactions of Community Redevelopment Agencies
- Redevelopment Agency's Financial and Compliance Audit
- Annual Report of Housing Activity of Community Redevelopment Agencies
- Blight Progress Report
- Loan Report
- Property Report

The Legislative Body is required to review the report and take any action it deems appropriate by no later than its first meeting that occurs more than 21 days from when it received the report, which is the January 12, 2010 City Council and Agency meeting.

In addition to the above report, the Mitigation Monitoring Program report is submitted annually to the City Council and Redevelopment Agency Board. This report is required by the Resolution through which the Council and Agency certified the Environmental Impact Report for the 1998 Redevelopment Plan Amendments. No action is required on this report. Copies were distributed to the City Council and

Redevelopment Agency Board on December 18, 2009. Copies of the reports discussed above are available for public review in the Office of Housing and Redevelopment.

**FISCAL IMPACT:** Although this document contains financial material, the report is for informational purposes only and has no fiscal impact.

**ENVIRONMENTAL REVIEW:** Although this document contains material relative to the environment, the report is for informational purposes only and requires no environmental review.

**ENCLOSURE:** None.

**RECOMMENDATION:** Accept the Redevelopment Agency Annual Report as submitted to the State Controller.

**\*2.3 REDUCE AGENCY LOAN COMMITMENT TO ALLIED HOUSING-MAIN STREET VILLAGE AND REPLACE WITH HOME FUNDS**

**Adopt a Resolution to Reduce an Agency Affordable Housing Loan Commitment to Allied Housing by \$1,059,991 and Replace with \$1,059,991 in Federal Home Program Funds if Approved by the City Council for Main Street Village Planned for 3615/3657 Main Street and 41037/41045 High Street in the Irvington Redevelopment Area**

**Contact Person:**

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**Note:** A companion item appears on the January 12, 2010 City Council agenda.

**Executive Summary:** On July 28, 2009, the Redevelopment Agency approved a loan not to exceed \$7,045,350 in Agency Housing, State HELP and federal CDBG funds for Allied Housing's 64-unit Main Street Village planned for High and Main Streets in Irvington. Staff now recommends substituting a portion of the Agency Housing funds with HOME Program funds. Specifically, staff recommends that the Agency Board reduce the Agency Housing funds committed to the project by \$1,059,991 (from \$3,845,350 to \$2,785,359) and replace the funding reduction with an equal amount of HOME program funds, subject to City Council approval. A companion item on tonight's City Council agenda requests the City Council to appropriate \$1,059,991 of HOME funds for Main Street Village.

**BACKGROUND:** Allied Housing and Mid-Peninsula Housing Coalition (MPHC) are partnering with the City and the Redevelopment Agency on the proposed Main Street Village, a 64-unit extremely low and very low income supportive housing development to be built on the corner of 3615/3657 Main Street and 41037/41045 High Street in the Irvington Redevelopment Area. The three-story, one, two and three-bedroom development includes a parking garage, 3,400 square feet of ground floor office space, and about 18,700 square feet of common area, including a community room, laundry room and open space area. The proposed development will also include a significant supportive services component. Allied Housing will contract with Abode Services to provide on-site service coordination for the supportive housing units. In July, the City Council approved a land-use designation change and rezoning to allow development of the project. Since committing to the project in late 2007, the developer has purchased the 1.6-acre project site, completed much of the predevelopment work and submitted an application to the City to obtain building permits.

**DISCUSSION/ANALYSIS:** The \$28.9 million Main Street Village project will be financed primarily by federal American Recovery and Reinvestment Act (ARRA) funds administered by the California Tax Credit Allocation Committee (TCAC). In December, TCAC notified the developer that the project's approximately \$20 million of ARRA funds was approved, allowing the project to proceed as anticipated. Main Street Village will also be financed by other sources, including Alameda County Mental Health Services Act (MHSA) funds, Alameda County HOME funds and Fremont Redevelopment Agency housing funds. The chart below summarizes all anticipated funding sources for the project:

<b>PROPOSED MAIN STREET VILLAGE-FUNDING SOURCES SUMMARY</b>		
<b>SOURCE</b>	<b>Scenario A: Agency bridge loan repaid</b>	<b>Scenario B: Agency bridge loan not repaid</b>
Fremont RDA Housing Fund Loan	\$1,345,359	\$2,785,359
Fremont Federal HOME Program Loan (Note 1)	\$1,059,991	\$1,059,991
Fremont State HELP Program Loan	\$3,000,000	\$3,000,000
Fremont Federal CDBG Grant	\$200,000	\$200,000
<b>Subtotal: City of Fremont/RDA Funds (Note 2)</b>	<b>\$5,605,350</b>	<b>\$7,045,350</b>
TCAC Conditional Grant (Cash In Lieu Award)	\$19,958,952	\$19,958,952
Alameda County Mental Health Services Act (MHSA)	\$1,040,000	\$1,040,000
Alameda County HOME (Note 2, 3)	\$800,000	0
Affordable Housing Program (AHP) (Note 2, 4)	\$640,000	0
General Partner Equity	\$24,842	\$24,842
First Mortgage (Section 8 income)	\$800,000	\$800,000
<b>TOTAL SOURCES</b>	<b>\$28,869,144</b>	<b>\$28,869,144</b>
<p><b>Note 1.</b> City HOME funds of \$1,059,991 are proposed for approval by the City Council this evening in order to reduce the use of Agency Affordable Housing funds from \$3,845,350 to \$2,785,359.</p> <p><b>Note 2.</b> The City of Fremont/RDA funding amounts differ by \$1,440,000. This difference represents a \$1,440,000 “bridge loan” included in the \$7,045,350 maximum loan amount to cover \$800,000 of Alameda County HOME funds and \$640,000 of Affordable Housing Program funds that are anticipated but have not yet been secured. The developer is expected to repay the bridge loan by fall 2010 should these financing sources become available.</p> <p><b>Note 3.</b> \$400,000 of HOME funding was approved by the Alameda County Board of Supervisors in November 2009. The developer will apply for another \$400,000 of HOME funds in the next Alameda County funding round.</p> <p><b>Note 4.</b> In October the developer applied for AHP funds. Awards were announced in December, but unfortunately the project did not receive an award. The developer will be re-applying to AHP for a grant in the next round (April 2010).</p>		

**City/Agency Financing:** To date, the Agency Board has approved up to \$7,045,350 of affordable housing funds for Main Street Village. These funds consist of Agency Affordable Housing funds (\$3,845,350), State HELP funds (\$3,000,000) and Community Development Block Grant funds (\$200,000) approved by the City Council. When staff recommended funding for the project to the Agency Board in July, the intent was to also include City HOME Program funds as part of the development loan. At the time, however, it was not possible to complete the required National Environmental Policy Act (NEPA) environmental review due to the accelerated TCAC application deadline. That review has since been completed. In August 2009, Alameda County, lead agency in the HOME Consortium, completed the NEPA environmental review and determined that the project will have no significant impact on the environment. HUD has also approved the release of HOME funds.

The City has \$1,059,991 of HOME funds available to commit to the project. Staff recommends that the Agency Board reduce its appropriation by \$1,059,991 (from \$3,845,350 to \$2,785,359, as reflected in

the above proposed funding summary chart) in Agency Housing Funds committed to Main Street Village. On the City Council agenda this evening, the City Council will consider appropriating \$1,059,991 of HOME funds to Main Street Village. Total Agency and City funds committed to Main Street Village would remain at \$7,045,350.

**Development Schedule:**

- February 28, 2010 – Obtain Building Permits
- March 2010 – Commence Construction
- July 2011 – Complete Construction
- October 2011 – Full Occupancy

**FISCAL IMPACT:** Staff is recommending that \$1,059,991 of Agency Housing funds previously committed to Main Street Village be replaced by the same amount of HOME funds. There is no net impact to the project.

**ENVIRONMENTAL REVIEW:** In August 2009, Alameda County completed the National Environmental Policy Act (NEPA) environmental review and determined that the project will have no significant impact on the environment. Therefore, an Environmental Impact Statement under NEPA is not required. No CEQA review is required for this funding reduction action; however, a Mitigated Negative Declaration has been prepared and circulated for this project in accordance with the requirements of the California Environmental Quality Act.

**ENCLOSURE:** [Draft resolution](#)

**RECOMMENDATION:** Adopt a resolution to:

1. Reduce the Agency Affordable Housing funds appropriated to Allied Housing's Main Street Village by \$1,059,991 (from \$3,845,350 to \$2,785,359) and replace the funding reduction with \$1,059,991 of federal HOME funds if approved by the City Council, subject to the conditions set forth under the terms of the loan previously approved the Agency Board; and
2. Approve an appropriation transfer of \$1,059,991 from the Main Street Village project (911HHD6113) to New Construction of Affordable Housing (911HHD6100).



## **5.1 Report Out from Closed Session of Any Final Action**